Remarks

Claims 33-39 and 55 were rejected as obvious over U.S. Patent No. 6,394,355 to Schlieffers et al. ("Schlieffers") in view of U.S. Patent No. 6,550,672 to Tracy et al. ("Tracy") and U.S. Patent No. 6,092,725 to Swartz et al. ("Swartz"). These rejections are respectfully traversed as failing to present a *prima facie* case of obviousness.

Claim 33 describes an embodiment of a customer-operated self-checkout system for items bearing identifiers. The system includes a portable terminal that in turn includes a data reader and a first RF interface. The portable terminal identifies selected items using the data reader and transmits information about the selected items via the first RF interface.

The embodiment further includes a base station having a second RF interface at the base station, a memory, and a data output port. The base station receives the information about selected items from the portable terminal via the second RF interface, stores the information in the memory, and outputs the information via the data output port.

The self-checkout station includes a data input port, a customer-operated automated payment-accepting subsystem, and a portable terminal interface at the customer-operated automated payment-accepting subsystem for communicating directly with the terminal to identify the portable terminal. The self-checkout station receives stored information from the base station data output port via the data input port, and accepts payment from the customer for selected items using the payment-accepting subsystem. The customer merely goes to the self-checkout station to deposit the portable terminal and checkout, as described in Applicant's specification at page 21, line 28 to page 22, line 10, rather than having to walk to two different locations.

Schlieffers discloses a self-service shopping system 70 including a portable terminal 10 and a modular cradle 40 for holding and storing the terminal 10. A customer service station 74 is provided having a dispenser 72 and identification card reader 78 for controlling use of the terminal 10. A computer 80 preferably controls the release of terminals 10 from the dispenser 72 in accordance with maintaining sufficient charging and uniform usage of terminals 10. See Col. 7, lines 18-27 of Schlieffers. When a customer returns a terminal 10 to the dispenser 72 after scanning items, the computer 80 provides data regarding the customer's purchases to a cashier

station 82 where payment for purchased products is collected and a receipt issued. Alternatively, a list may be printed at the dispenser 72 that can be carried by the customer to the cashier station 82. Schlieffers does not teach or suggest the claimed self-checkout station.

Tracy discloses a shopping system including a bar code reader 240 stored in one of a plurality of slots 234 in a dispenser unit 230. To use the system, a customer proceeds to an entrance unit 220 and inserts a customer card 210 to receive the reader 240 from the unit 230. Once the customer has finished selecting products, the customer returns the reader 240 to the dispenser unit 230 where it is placed in an open slot 234. A printer 232 at the dispenser 230 issues a ticket for the items scanned.

Each of the slots 234 in the dispenser unit 230 is physically and electronically marked and may include a locking means for locking the bar code reader 240 in place until it is assigned to a customer. The physical marking is used to direct the customer to the location on the dispenser, i.e., location "A9." The electronic marking is provided so that the central processor can locate the bar code reader 240. The electronic marking may be a bar code located on the dispenser 230 such that when the reader 240 is locked in place, it can transmit the address of the slot 234 along with its terminal identification code for tracking by a system controller 150. Once the reader 240 is assigned to a customer, the locking means is disengaged.

Prior to issuance to a customer, the bar code reader 240 could also be required to scan the bar code located on the terminal dispenser as a self-diagnostic tool. In a preferred embodiment, the bar code is sufficiently degraded to test the outer boundaries of the bar code reader's capabilities. Thus, if the reader 240 is unable to read the bar code and communicate the bar code symbol to the central processor, it will not be assigned to a customer. See Column 7, lines 38-67 of Tracy.

In an alternative embodiment of Tracy's shopping system, rather than being issued a ticket at the terminal dispenser 230, the customer proceeds to a card reader 175 at a checkout register 170 to enter the customer card 210. Hence, the reader 240 is still returned to the dispenser unit 230 in this alternative embodiment, where the terminal 240 transmits its identification code and the address of the slot 234 into which it has been inserted for tracking by the system controller 150. The customer proceeds to the checkout register 170 without the reader 240. A card reader and data entry device 175 is used at the register 170 to associate the

customer's item list with the customer. Thus, while Tracy discloses a self-checkout station, the reference does not disclose the claimed portable terminal interface at the customer-operated automated payment-accepting subsystem for communicating directly with the terminal to identify the portable terminal.

Swartz discloses a self-scanning checkout system that provides a statistical basis for determining whether a customer should be audited and how many items in a shopper's cart should be checked as well as which particular items to check. The system comprises a dispenser unit 2 including plurality of portable self-checkout devices 100 for use by customers to scan bar codes located on items to be purchased so as to record a list of the items scanned. In one embodiment, a stationary dispenser unit 2 is used for the releasable containment of the portable self-checkout devices and transmission of data stored in the devices by wireline to a host computer 4 for processing. Point-of-sale terminals 6 use the host processing to check out the customer. See Cols. 5-8 of Swartz.

In another embodiment of the Swartz system, a portable device contains a wireless transceiver for transmitting data stored in the device directly to the host computer in lieu of storing the data in the device and using the dispenser to transmit the stored data to the host computer. In another embodiment, the portable device is a dumb terminal for collecting and storing the shopping data. The dumb terminal may be used in conjunction with a kiosk to determine the prices and cost of items selected for purchase. The kiosk contains a display and a rack for receiving the dumb terminal to communicate with the host computer by wireline or a wireless link. In response to customer inputs, the price information is presented on the display. Alternatively, the customer may place the dumb terminal in a cradle at the checkout stand. The cradle loads the data in the dumb terminal into the host computer for processing and checkout of the customer. Col. 3, lines 15-27 of Swartz.

The Patent Office asserts that one of ordinary skill would combine the portable terminals of Schlieffers with the self-checkout system of Tracy, and then combine the resulting combination with the terminal cradles disclosed in Swartz. Each of the prior art references, however, must be considered as a whole, including portions that lead away from the claimed invention. See MPEP 2141.02. Schlieffers and Tracy both disclose a central terminal dispenser to which customers return terminals prior to proceeding to a checkout station, rather than a

terminal cradle at the checkout station, and neither reference suggests adding a cradle at the checkout station. One of ordinary skill would not be motivated to add the cradles of Swartz to a system that requires returning terminals to a central dispenser prior to proceeding to a checkout station. Furthermore, using a checkout station based terminal would jeopardize Schlieffer's stated goal of assuring charging and uniform usage that is attained by having one dispenser for a plurality of terminals that is commonly accessible by customers entering the store. It would also defeat Tracy's bar code diagnostic scheme. Moreover, even assuming it is possible to add Swartz's cradle to Tracy's self-checkout station, the mere fact that references can be combined does not render the resulting combination obvious when no teaching, suggestion, or motivation to combine arises from the references. See MPEP 2143.01. Therefore, the Patent Office has failed to present a *prima facie* case of obviousness with respect to any of claims 33-39 or 55, so the claims are in condition for immediate allowance.

Thus it is submitted that this case is in condition for allowance and such action is respectfully requested. However, if any minor issue remains unresolved, Applicant's attorney would welcome the opportunity for a telephone interview to expedite allowance and issue.

Respectfully submitted,

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